

REPORT OF DEFENSE INTELLIGENCE INFORMATION

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7. PREPARED BY	US Army Field Support Group
8. APPROVING AUTHORITY	Carroll H. Shannon F. H. DILLON, JR., LTC, AIG

1. SUBJECT: (c) Bolivian Interest in Surplus M-41 Tanks

2. SUMMARY: (S) (NO FOREIGN DISSEM) The West German arms export firm, MEREX A.G., has learned of a Bolivian interest in acquiring some 10-15 surplus M-41 tanks. Such arms are currently surplus in large quantity in West German military stocks and MEREX A.G. is seeking potential customers for same in many parts of the world. Colonel Paz of the Bolivian military reportedly visited MEREX in West Germany in late November 1966 to discuss the Bolivian armor requirement.

3. DISSEMINATION: THIS REPORT SHOULD BE GIVEN NO FOREIGN DISSEMINATION SINCE SUCH DISSEMINATION COULD LEAD TO THE COMPROMISE OF THE SOURCE OF THIS INFORMATION. THIS DOCUMENT HAS BEEN ADJUDGED BY DIA EO-2 (OPI)

4. ANALYSIS: (S) (NO FOREIGN DISSEM) MEREX A.G., a West German arms export firm, has been exporting large quantities of West German and French military surplus arms, munitions, and aircraft to Saudi Arabia, Iran, Pakistan, India, and Chad during the past year, is intensifying its efforts in this field in Latin America. In mid-1966, the firm sent Walter DRUECK, a WWII German General Staff officer, on a trip through Latin America to seek potential customers for German surplus military hardware. Among others, DRUECK made contact with German WWII Luftwaffe ace, Hans U. RUEDEL, who has been residing in Latin America since the end of the war and is acquainted with a number of Latin American military leaders. RUEDEL put DRUECK in touch with some of these figures. In Bolivia, DRUECK learned of an interest on the part of the Bolivian military establishment in acquiring some 10-15 surplus M-41 tanks. MEREX A.G. communicated this interest to the Bolivian Ministry of Defense in a letter dated 10 November 1966 (see Incl #1). The visit

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7. ATTACHMENT DATA: 1 Inclosure  
1. Letter, dtd 10 Nov 66, re: Bolivia, 1 cy, 1 (S) PS.  
REQUEST ATTACHMENT FROM DIA-102

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Germany by the Bolivian Defense Minister, mentioned in the MEREX letter to the German Defense Ministry did not take place. Instead, Colonel Paz SCLAN of the Bolivian defense establishment, left Bolivia on 23 November 1966 to visit Italy and to confer with MEREX officials in West Germany re: Bolivian military requirements. The outcomes of these discussions is not yet known.

2. (S) (NO FOREIGN DISSEM) As its contact man in Bolivia, MEREX A.C. is currently using an individual by the name of Klaus ALTMANN of the firm, Standard Industrial (Bolivia), LA PAZ, Avd. Camacho Edif. Krsul. ALTMANN is a close friend of Hans U. RUDOL, and claims to number many high-ranking Bolivian officers among his friends. He also admits to a business relationship with German WWII figure, Otto SKORZENY. ALTMANN recently informed MEREX of a Bolivian interest in the "Cobra" anti-tank rocket manufactured by the German firm, BOSKOW Entwicklungen, of MUNICH/Ottobrunn (DB OPA 11 35E). Colonel Paz SCLAN was to discuss this requirement with MEREX also during his November trip to West Germany.

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MEREX

An den  
Bundesminister der Verteidigung  
Abteilung W 2 5

SS BONN  
Marschälle

101 Nov. 1966

FO/ab

Betr.: BOLIVIE!

Sehr geehrte Herren,

Wir gestatten uns, Sie von folgendem Bedarfsfall in Kenntnis zu setzen:

Das bolivianische Heer beabsichtigt, ca. 10 - 15 Panzer zu beschaffen. Nähere Verhandlungen sollen demnächst bei einem angekündigten Deutschland-Besuch des bolivianischen Kriegsministers, General Ovando Candia, und seines Begleiters, Oberst Jaime Paz Soldan, in unserem Hause in Bonn stattfinden.

Über die Finanzierung, für die wir schon Wege gefunden haben, wird anlässlich des geplanten Besuchs verhandelt.

Wir werden Sie selbstverständlich über den weiteren Verlauf dieser Angelegenheit orientieren und bitten abschließend noch darum, den Bedarfsfall weiter bearbeiten zu dürfen.

Mit bester Empfehlung

MEREX A.G.

H. Haabrusch

H. Forrer

Incl to IR 2 750 4540 66

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